

UNIT 64 ADMINISTERING SECURITIES

(Formerly Unit 77)

UNIT CERTIFICATION

Statement of Completion

_____ has satisfactorily completed on-the-job training in the duty or duties of this Unit under the conditions described below and in accordance with the overall standard(s) for this Unit.

Duties	<div>1. Maintain bonds and other securities.</div> <div>2. Upon termination for cause or default, apply bonds in completing contracts.</div>
Conditions	Given contracts and related bonds.
Overall Standard(s)	Upon default, obtain completion of contract at expense of the surety (to extent of surety's liability).

Evaluator

Name

Title

Date

UNIT 64 ADMINISTERING SECURITIES

DOCUMENTATION OF OJT ASSIGNMENT(S)
Description of Assignment:
Evaluation:
Completion Date:

UNIT 64 ADMINISTERING SECURITIES

Policies

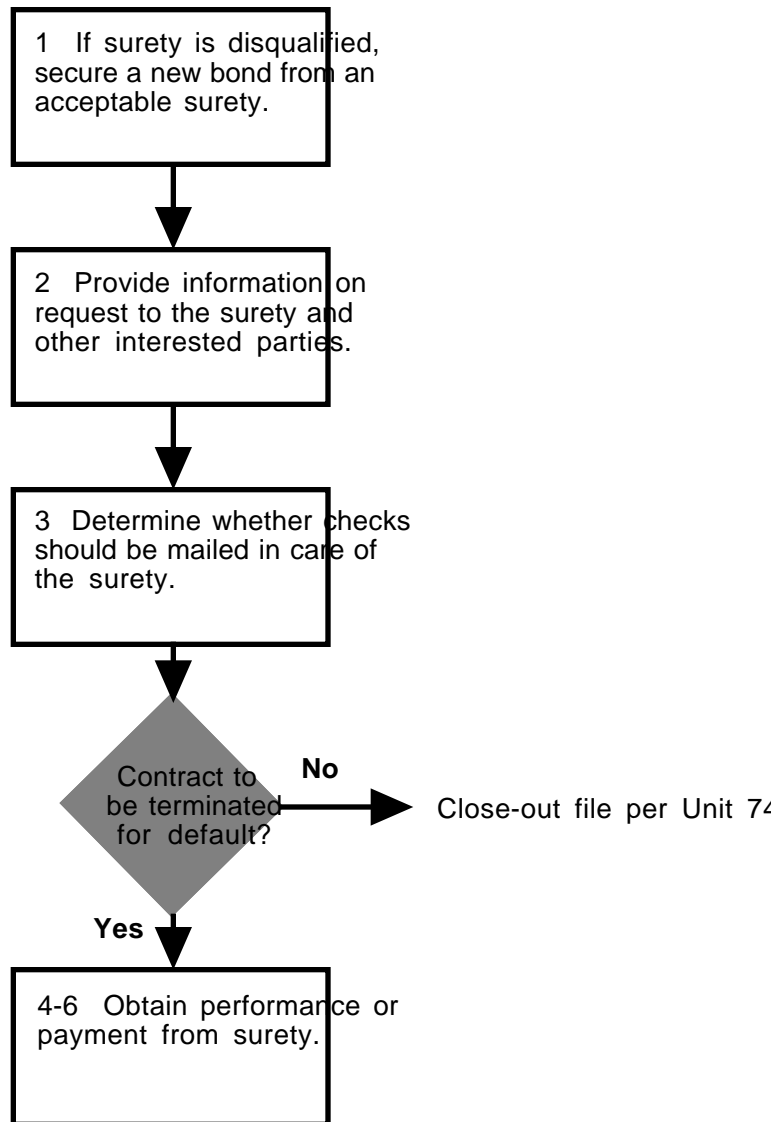
<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
9.405(c)		No debarred sureties.
28.106		Administration of bonds.
28.2		Sureties.
49.402-3(e)(2)		Notice to surety of imminent default.
49.402-3(e)(3)		Mailing checks c/o surety in event of default notice.
49.402-3(h)		Copy of default notice to surety.
49.404		Surety-takeover agreements.
49.405		Completion by another contractor.
49.406		Liquidation of liability.
52.228-2		Additional bond security.

Other KSA's

1. Commercial Law and Business Finance.
2. Knowledge of typical agency bonding clauses, types of bonds, and bond forms.
3. The Treasury List of Approved Sureties.

Other Policies and References (Annotate As Necessary):

ADMINISTERING BONDS




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Tasks

Related Standards

1. If the company's authority to qualify as a surety on Federal bonds has been terminated, review outstanding contracts and secure new bonds, where appropriate, with acceptable sureties.	
2. Furnish information upon request to interested parties. Furnish to: <ul style="list-style-type: none"> • The surety, regarding progress of work, and payments. • Subcontractors or suppliers, regarding the name and address of surety, work progress, and payments. (The same information may be furnished to other persons who can provide written evidence that they have furnished labor or materials for the contract and have not been paid.) • Any person who gives an affidavit that they have supplied labor or materials and have not been paid, a certified copy of payment bond and contract . 	2. Only provide information that may be made available on the status of the contract and/or bonds, such as a written notification (not the actual notice) of default.

Requests For Information From Subcontractors

 If a contractor has furnished a payment bond pursuant to the Miller Act for a construction contract, promptly furnish upon request (orally or in writing) any of the following information to a current or prospective subcontractor/supplier.

- Name and address of the surety or sureties on the payment bond.
- Penal amount of the payment bond.
- Copy of the payment bond (The contracting officer may impose reasonable fees to cover the cost of copying and providing a copy of the payment bond.) [FAC 90-32, Case 94-762]

3. If requested by the surety and agreed to by the contractor and any assignees, mail checks to the contractor in care of the surety.	
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Tasks

Related Standards

<p>4. If the contract is to be terminated, obtain decision from bonding company on whether or not it plans to "take over" the contract.</p> <ul style="list-style-type: none"> • Provide opportunity for surety to take over the contract and complete performance (since surety is liable for damages resulting from contractor's default). • If the surety declines or its takeover plans are not acceptable, proceed with replacement contractor and notify surety of its responsibility for reprocurement costs, damages, additional costs, etc. • If surety takes over, prepare Takeover Agreement between the defaulting contractor, surety, assignee (if any), and Government. 	<p>4. Execute takeover agreement within a short period after default notice (to mitigate damages). Only permit takeover when the persons or firms proposed by the surety to complete the work are competent and qualified and the interests of the Government would not be substantially prejudiced. Takeover agreements meet the tests of FAR 49.404.</p>
<p>5. Obtain funds from the surety to cover the defaulting contractor's and the surety's liability to the Government.</p>	<p>5. Recover funds as prescribed at FAR 49.406.</p>
<p>6. Report sureties to the agency's debarring officials.</p>	<p>6. Furnish evidence of nonresponsibility, such as:</p> <ul style="list-style-type: none"> • Failure to fulfill obligations under the bond. • Failure to disclose all bond obligations. • Misrepresentation of the value of available assets. • Any false or misleading statement, signature, or representation on a bond of affidavit of individual surety.